RESTRICTING USE OF HOLD CHECKS

The "Hold" check feature of the NJCFS provides users with the ability to interrupt the automatic mailing of check payments so that the designated checks are held for agency disposition. Hold checks are identified in the system by entering the appropriate two-digit numerical code in the Check Category field on the payment transaction. Since the Hold check process is a costly manual process, its use should be closely restricted by agencies to those situations which have a valid justification. Examples of payments which legitimately require the use of the Hold feature include those: to foreign vendors when special handling and additional postage is necessary, to vendors when additional documentation must be attached to the check, for real estate closings when the check must be presented in person by the agency representative and for employee travel advances when timing of travel events does not permit the routine mailing of checks.

The Hold feature should never be used for employee travel expense reimbursements or for any other payment situation for which the standard automated disbursement process is adequate. By agencies restricting the use of this feature, significant cost savings to the State can be realized. OMB will continue to monitor the use of this feature to ensure its proper use and may reject payments for which the use of a Hold check category code is deemed inappropriate.

REIMBURSEMENT VS. REFUND OF EXPENDITURE

A review by OMB of transactions utilizing reimbursable object codes indicates that there is some confusion at agencies as to when a transaction is a reimbursement of an expenditure or when it is a refund of expenditure (disbursement) received from a vendor. The following is intended to provide a better understanding of the proper coding for reimbursable object transactions and those for refunds of expenditure.

Use of Reimbursable Objects

Reimbursable objects are expenditure objects which are identified on the NJCFS Object Table (OBJT) by the use of "99" in the last positions of the four-digit object code. The proper use of the reimbursable object code is appropriate in the following situations:

- **Intra-governmental Reimbursements:**
  A Type 4 Intra-governmental Payment Voucher (UA/AV) requires that a reimbursable object be used in the seller's accounting distribution and a non-reimbursable object in the buyer's accounting distribution. This type of intra-governmental transaction is required when it is appropriate to reduce the seller's expenditures and increase the buyer's expenditures. For example, telephone expense is budgeted at the agency level but paid centrally by Treasury. The UA transaction to reimburse Treasury for an agency's share of the expense must charge object 3110; the corresponding credit for the seller's side of the UA transaction would be to the reimbursable object

code - 3199. This results in the individual agencies recognizing their telephone expenses while relieving the central charge at Treasury.

- **Reimbursements from Employees and Other Parties**
  Reimbursement to a State agency by an employee or other party for personal use of services such as telephone, postage, photocopying, etc. must use a reimbursable object code on the Cash Receipt (CR) transaction which records deposit of the cash. As in the example above, an employee's share of telephone charges is coded to relieve the Treasury central charge by entering reimbursable object 3199 on the Cash Receipt.

Refund of Expenditure Transactions
A refund of expenditure occurs when a vendor refunds all or a portion of a payment originally made by a State agency to that vendor. A reimbursable object should not be used on refund of expenditure transactions. It is essential that the proper account code distribution be used on the Cash Receipt to permit the system to reduce the charge to the expense object originally used on the payment. It is equally important that the vendor identification number used on the original payment transaction be included on the refund of expenditure Cash Receipt. By coding both the original object and vendor code, the system can adjust the Vendor File (VEND) for the amount refunded and ensure that accurate payment data is reflected on the 1099 Form issued to the vendor at year end.

Agency approval officers are responsible for the proper identification and use of transactions. Refunds of expenditure from

vendors must be distinguished from reimbursements and both types of transactions must be coded correctly.

NJCFS USERIDS
Agencies are reminded that it is their responsibility to inform their Information Security Representative (ISR) of employees who transfer to another agency or leave State service. The ISR must be informed to update the OTIS security application (ACF2) so that the USERID of the departing employee can no longer be used. The NJCFS Security Table (STAB) is, in turn, updated by deletions made to ACF2.

TRAVEL -- FEDERAL PER DIEM RATES ISSUED FOR 1998
The federal government has published the per diem travel reimbursement rates effective for 1998.

The breakdown of meals and incidentals is unchanged from last year. They are listed below:

	$30	**$34**	**$38**	**$42**
Breakfast	$ 6	$ 7	$ 8	$ 9
Lunch	6	7	8	9
Dinner	16	18	20	22
Incidentals	2	2	2	2

The complete schedule of per diem rates has been provided to the Travel Coordinator at each agency. Any questions or requests for copies should be directed to the Travel Coordinators at the respective agencies. The federal publication of the per diem rates is also available in its entirety on the Internet at the following address:
http://policyworks.gov/org/main/mt/ homepage/mt/perdiem/perd98.htm

NJCFS TRAINING

The Accounting Bureau is considering offering training in the various modules of the NJCFS for new users and individuals who have changed assignments. If someone under your supervision requires training, please contact your agency's NJCFS training coordinator NO LATER THAN MARCH 31, 1998. Provide the name of any training candidates and modules requested. If you are an NJCFS user and believe that you require training, please submit your request to your supervisor. NJCFS training is available for the following modules: Overview, Inquiry, Budget, Expenditure, Revenue, Travel, Grants and Projects.

A final decision as to whether to conduct training and which modules to offer will be made based on agency responses. Please keep in mind that this is the same training that was originally presented for the NJCFS. If staff attended the original training, they should not register again. Attached is a list of training coordinators, by agency.

SUPPORTING DOCUMENTATION FOR FEDERAL MASTER (FM) TRANSACTIONS

Effective immediately, the following supporting documentation will be required of agencies when submitting a Federal Grant Package (refer to OMB Circular Letter 95-19, Section V) to the Office of Management and Budget:

1. Requests to establish new grants must include the "Terms and Conditions" section of the federal grant which outlines the federal reporting requirements.

2. Requests to extend grant end dates must include the federal time extension approval.

This supporting documentation will assist the Accounting Bureau's Grant Analysis Unit to ensure that revenue and expenditures are posted correctly in the NJCFS and to identify closed grants.

FEDERAL SUPPLEMENTAL APPROPRIATIONS

Agencies are reminded that, prior to requesting a Federal Supplemental Appropriation, they should review all federal appropriation accounts within the same organization and program class. Any excess budget authority should be transferred to the account requiring additional funding. Only when all unused amounts have been made available should a Federal Supplemental Appropriation be requested.

FEDERAL FUND PROJECTS

In an effort to close federal accounts for fiscal years 1993 through 1997, the Accounting Bureau's Grant Analysis Unit will be contacting agencies to request that they perform the following tasks:

1. To review federal appropriation accounts not having an associated federal grant established in the NJCFS. Agencies should research whether a grant award has been or will be received for these accounts. If a grant award is not expected, agencies must make a determination as to whether the budget authority in these federal accounts can be reverted.

2. To review grant awards to determine whether appropriation accounts have been fully expended and all associated revenue collections recorded in the NJCFS. Grant Analysis staff plans to meet with representatives of each agency to discuss the agencies' needs in the area of federal grant processing and reporting. This will enable OMB to reflect agency input when developing guidelines for closing grants.

DEFAULT CFDA NUMBERS
In the past, agencies assigned a default CFDA code of **AAA** to any grants for which the actual code was unknown or for which no codes existed. This was necessary to satisfy the edit requirement for a CFDA code in the Grant module of the NJCFS. In an effort to make the CFDA codes more meaningful, OMB has eliminated the AAA code and replaced it with the four new codes which are explained in the following sections. Agencies must use one of these new codes when assigning a CFDA number on their Federal Master (FM) transactions in the following situations:

UNA - Unassigned Any grant without a valid CFDA number and which does not meet the criteria of other grant types should be assigned a CFDA code of UNA. Once a valid CFDA number is issued by the federal government, agencies must update the grant record to reflect the new CFDA number.

CON - Contract This code should be assigned to contractual agreements with the federal government. These usually represent one-time grants and typically are not assigned a CFDA number.

ADM - Administrative This code will be used for cases in which the federal government provides a lump sum for administrative costs which span various grants. State agencies have the authority to allocate these funds based on program needs.

PRF - Petroleum Overcharge The federal government collects funds from oil companies as part of the gas/oil overcharge assessment and reallocates these funds among the states. Since CFDA numbers are not assigned to these grant allocations, the PRF code should be entered by the agencies.

Q & A -- VENDOR ON HOLD
This issue's Question and Answer segment addresses one of the NJCFS warning messages.

Q. What does the message VENDOR ON HOLD mean?

A. VENDOR ON HOLD is a warning message in the NJCFS that appears on payment voucher transaction screens to alert users to the fact that the vendor payee has not provided a properly executed Vendor Questionnaire (W-9) form to the Office of Management and Budget. A properly completed W-9 form is necessary for the State to comply with federal tax reporting requirements. The vendor record on the NJCFS Vendor Table (VEND) will show a **Y** indicator (for yes) in the HOLD field until a completed W-9 form is received by the Accounting Bureau's Vendor Control Unit. Although a payment voucher may have been accepted by the system, a **<u>disbursement will not be made</u>** to that vendor until the W-9 is received and the **Y** indicator is changed to **N** (for no) in the HOLD field. Users can determine if a vendor is on hold by scanning the Vendor File (VEND) and reviewing the HOLD field.

Vendors frequently contact agencies to inquire about payments they have not received. In these cases, when the VEND indicates that the vendor is on hold, the agency should advise that no checks will be issued to the vendor until a properly executed W-9 form is received by OMB's Vendor Control Unit.

NJCFS NEWSLETTER

Office of Management and Budget
Accounting Bureau

LIST OF AGENCY TRAINING COORDINATORS

AGENCY	CONTACT	PHONE
Agriculture	Charles Toleno	984-2167
Commerce	George Hulse	292-2894
Community Affairs	Cynthia McDowell	292-6084
Corrections	Paul Rebovich	292-0455
Education	Richard Hargrove	984-4902
Environmental Protection	Sherry Wysocki	633-2663
Health and Senior Services	Robert Nicholson	588-7406
Human Services	Harold Jones	633-2100
Labor	Shirley Heupel	984-8166
Law & Public Safety	George Schweitzer	633-6368
Military & Veterans' Affairs	Eric Anderson	530-6903
State	Hugh Osborne	633-7745
Treasury	Michael Jonas	292-7132
Public Broadcasting	Beatrice Jones	777-5017
Judiciary	Barbara Gigliotti	984-5276